

Group Charge and Objectives

The group charge is to develop recommendations to the PSWG on content of proposed business transactions and electronic transmission related to Consolidated Billing and Settlement with Scheduling Coordinators.

The groups overall objective is to produce an accurate, timely and understandable bill to the end use customer.

The group objectives is to recommend transaction processes and timeline, including but not limited to:

- Short-term implementation recommendations (e.g. suggestions for a workaround, if applicable)
- Best practice in implementation recommendations (e.g. ideal process) This includes EDI (electronic data interchange) implementation guide and implementation schedule.
- Policy, procedural or content recommendation related to the transaction.
- Sharing of billing information between the various market participants

Achieve consistency throughout the market place.

Planned Steps To Achieve Best Practice

1. Flow chart current business process of APS, SRP, TEP, TRICO, Citizens Utilities and APSES
2. Identify related policy and implementation issues
3. Flowchart of the ideal process(es)
4. Identify the current consistent and inconsistent processes
5. Identify what processes are desired and what processes are acceptable
6. Identify best practices and related documentation, using operating principles as guidelines.
7. Recommend to PSWG the best model for these transactions for the Arizona Market
8. Develop recommendations on related policy, implementation issues and timeline.

Summary

The group was faced with significant challenges due to the following:

- Existing utility systems were not designed to work with external systems
- Direct Access requires new ways of operating with existing systems and business practices
- Direct Access requires significant resources (cost and time) to make system changes to serve the current market demand
- The Arizona Co-Operatives have unique circumstances with respect to Direct Access due to size, location of territory, customer base, and resource constraints

The group identified and prioritized five Direct Access Billing Functions including ESP Consolidated, UDC Consolidated, True Up and Settlement Statements, True Up and Settlement Invoices and Bill to end use customer. The group determined that the Energy Service Provider (ESP) Consolidated Billing would be the first Billing transaction to be addressed.

The group identified major/critical issues related to ESP Consolidated Billing. Issues are defined as questions, concerns, and/or lack of clarity in protocols or rules. Processes that had not been identified in the original protocols, rules and procedures were also addressed. The issues were prioritized and worked accordingly. The resolved issues are located in Appendix B-A. The unresolved issues are listed in Appendix B-B.

Accomplishments:

- Standardization of several billing processes
- Avoidance of costly changes to systems for both the ESP and UDC with interim solutions
- Identification of items that were not originally covered
- Resolved () of () issues
- Resolved all “current” high priority issues pertaining ESP Consolidated Billing
- Gained a common understanding of current operating processes
- Reached agreement on data elements for standardization of the 810. The 810 transaction is an electronic exchange of data between the UDC and the ESP, which allows the ESP to produce a customer’s bill with the UDC charges.
- Recommended several processes of standardization (outlined in greater detail within this report)

Work to be completed

- Complete the unresolved issues relating to ESP Consolidated billing
- Recommend and finalize the 810
- Complete work on the remaining billing functions (UDC Consolidated, True Up and Settlement Statements, True Up and Settlement Invoices, and Bill to end use customer)
- Continue to identify and conduct a in-depth analysis of rules which allow for flexibility of market systems and interim solutions for Direct Access billing.

The Billing subcommittee has made tremendous strides in accomplishing its goals and will continue to work to achieve the goals and objectives set forth in PSWG. The group still has a large amount of work to be completed and will continue to pursue the best billing processes for the Arizona Market.

As of the date of this report, group is recommending the following processes for standardization.

B. 1 ESP Consolidated Billing

B. 2 Interim Re-Bill Data

B. 3. Billing Exception Notices (BEN)

The details of B.1, B.2, and B.3 are outlined in the following sections.

Detail of B.1 - ESP Consolidated Billing

Purpose

ESP Consolidated billing is used when the ESP is the primary biller. This allows the Direct Access Customer to receive one bill. The customer bill includes the Utility Distribution Company (UDC) charges and the ESP charges. The ESP is responsible for paying the UDC for UDC charges.

Description

Summary of “as is” ESP Consolidated Billing

The table below lists all the steps in the current ESP Consolidated billing processes. The table below shows what has been identified as common processes, processes that can remain inconstant and difference that a consistent process should be agreed upon among the Utilities with respect to ESP Consolidated Billing

Common Elements – AZ Best Practice	Differences
<ul style="list-style-type: none"> ▪ Bill is generated ▪ Need Meter reads to bill ▪ Multiple parties reading meters ▪ All parties are performing some sort of validation of meter and billing data ▪ UDC is not required to pay ESP receivables ▪ ESP is required to pay ESP receivables ▪ ESP is required to pay UDC ▪ All UDCs tie customer to a cycle ▪ All parties relying on Electronic Data (Co-ops ?) ▪ All parties bill in US currency only 	<ul style="list-style-type: none"> ▪ Rate Structure ▪ Business Vocabulary (unresolved) ▪ Billing Credit for Rebate Rebill(how and when, minimum) (unresolved) ▪ Rebates (how and when, minimum) ▪ Validation Rules/processes are different (unresolved) ▪ Define customer to a class ▪ Switch billing options meter and billing data (unresolved) ▪ Due dates on bills ▪ No. of Cycles ▪ Time frame between read date and bill date ▪ Data Transport Van, Exolink, Internet EDI, E-Mail, Data Security(unresolved)
	<ul style="list-style-type: none"> ▪ How and when data is estimated and who does it (unresolved) ▪ Disconnect/Reconnect (unresolved) ▪ Cancel Original Bill and re-bill (unresolved) ▪ Non-pay (unresolved) ▪ Final Bill ▪ Back Bills (unresolved) ▪ Theft Tampering (unresolved) ▪ Delivery timeframes for bill ready data to ESP (unresolved) ▪ Dispute Resolution process <ul style="list-style-type: none"> ➢ Meter Reads (unresolved) ▪ Bill inserts and how delivered to ESP ▪ Data File format (unresolved)

The following are issues that the Billing Group agreed to be standardized with respect to ESP Consolidated Billing Process

Standardization	Requirements	Implementation	Agreement
ESPs are not required to bill customer for <u>non-utility charges</u> such as security systems, internet by the Utilities	Process Change	No barriers	Consensus
The UDC will provide the UDC emergency contact number and ACC number to the ESP at the time of certification with the UDC and not with every billing transactions	Process Change	No barriers	Consensus
The UDC will not pass the yr./last and yr./month graphs to the ESP for ESPConsolidated Billing	Process Change	No barriers	Consensus

Benefits of the above solutions

- Streamlined Direct Access bill for the customer
- Transactional costs are reduced
- The practices recommended are standard practice in CA and other states.

Implementation Plan

- There are no implementation barriers
- The process has already been implemented

Next Steps

- These changes will be incorporated in the Arizona Standard ESP Consolidated Billing Transaction (810) is implemented.

Detail of B.2 – Interim Cancel/Re-Bill Data Process

Purpose

Rebilling occurs when it is necessary to adjust a previous bill to the customer. The current billing transaction from the UDC does not provide enough detail to allow the ESP to provide an timely bill to the end use customer. The circumstances under which a customer may be re-billed include but are not limited to the following scenarios.:

1. Usage Related
 - Original Bill was estimated, actual data is now available
 - Meter Tampering
 - Meter not calibrated, dead meter, bad multiplier
2. Rate related Cancel/re-bill
 - Rate Change or incorrect rate calculation
3. Non–usage related
 - Tax (flat rate, tax changes)
 - Cycle Change

Process Standardization Working Group (PSWG) - Billing Sub-Group

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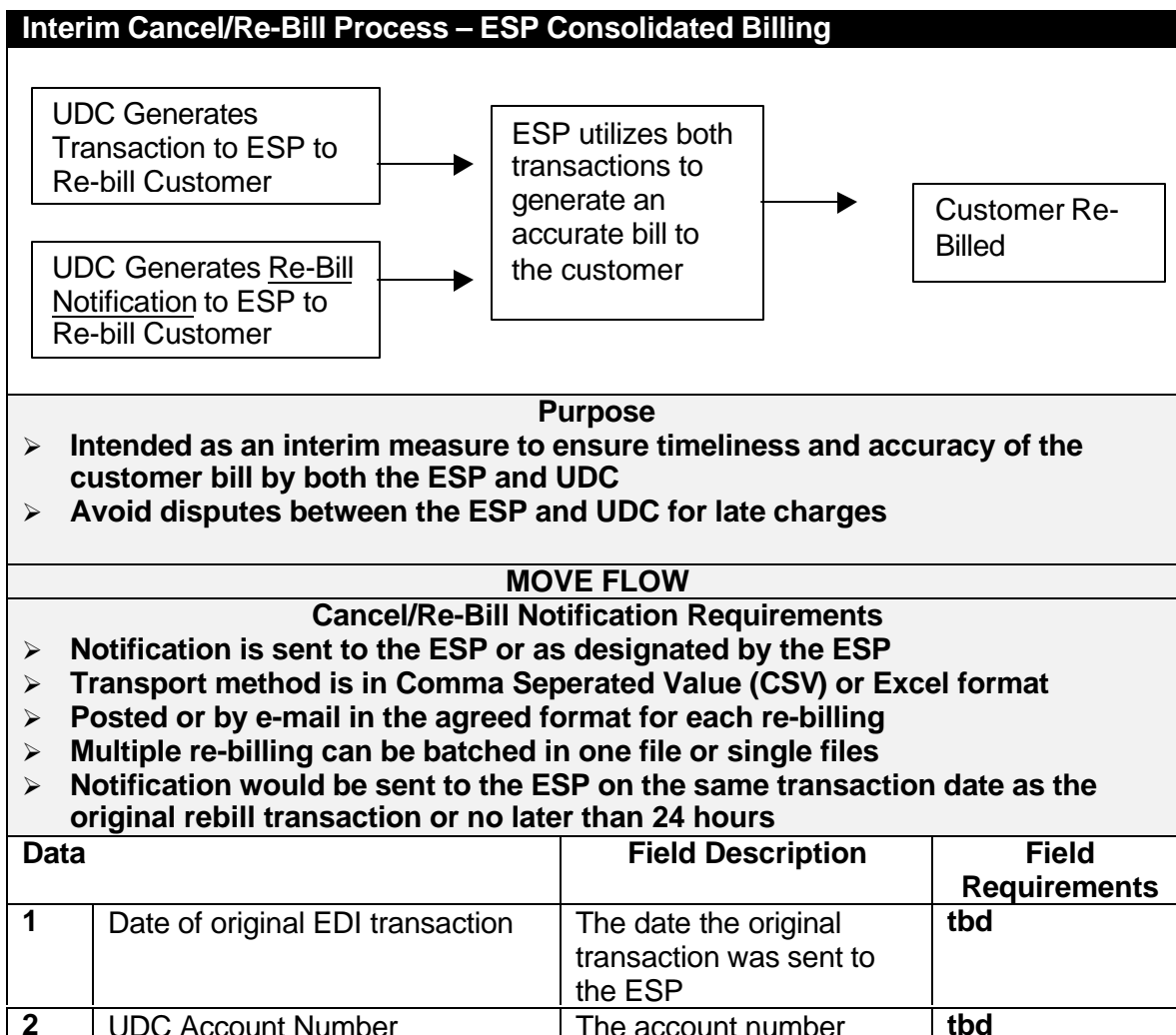
The billing Group has agreed to implement the re-billing process for the Customer, until a standardized process 810 transaction and necessary system changes at each UDC are implemented.

Issues with current processes

- The interim electronic process does not provide data from UDC to the ESP to accurately and efficiently re-bill the customer.
- ESP receives the current interim invoice transaction from the UDC coded as a re-bill with an amount but the UDC does not provide the time period or the amount for the periods being credited
- The ESP must manually determine the amount and the time periods for the UDC. This is very time consuming and may or may not be as the UDC intended to be re-billed since the ESP has no information.
- The manual process causes billing to be delayed to the customer.

The ESP may incur late charges from the UDC for non-payment under ESP consolidated billing since it can not validate the invoice due to the manual process or lack of information.

The following is summary of the Re-Bill Data Notification::



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		assigned to the customer by the UDC	
3	UNI #	Number assigned by UDC	tbd
4	Reason Code Estimated vs. Actual Multiplier Error Tampering Rate Tax Other: ACC Miscellaneous T & D, Fuel Adjustment etc.	Reason for the Cancel Re-Bill; Reason for consumption difference (most common)	tbd
5	Date Adjustment passed to the ESP	The date the actual transaction was transmitted to the ESP	tbd
6	Bill Date	Original Bill Date (810)	tbd
7	Meter #	The meter # for that had the read	tbd
8	Bill Cycle	Start/Stop, to/from information	tbd
9	Consumption	Original (Optional) New	tbd
10	Dollars applied to each time period (time periods identified)		tbd

Benefits

- Customer Billed delivered on a timely basis
- Billing is accurate and agrees with UDC bill
- Bill presentation is more understandable to the Customer

Implementation Plan

- As of the date of this report a time line has not been agreed to.

Next Steps

- To be determined when implementation plan has been developed.

B. 3. Billing Exception Notices (BEN) Process

Purpose

The Billing Exception Notice process is intended to manage EXCEPTIONS that prohibit or impede customer billing by the UDC or the ESP. An example of an exception is Missing Meter Reads or Missing intervals. Reason for these data exceptions are the implementation of remote meter reading equipment and data being reported in a new format (EDI) This is an interim process until the PSWG develops a standard mechanism for error notification. It is a communication that allows problems to be resolved more timely.

Benefits

- Customers bills delivered on time
- More accurate billing

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- Avoids re-billing the customer
- Effective way to track communication
- Deadlines are set and pre-determined actions are known

Implementation Plan

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Next Steps

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Issues Resolved Appendix B – A (Double Click to Open)



"Resolved Billing
Issues 3-22.doc"

Issues Outstanding Appendix B – B (Double Click to Open)



"Unresolved Billing
Issues 3-22.doc"

Business Processes for ESP Consolidated Billing Appendix B – C (Double Click to Open)



"Business Processes
for ESP Cons Billing4_

List of Participants attending and participants the Billing Meetings (Double Click to Open)



"Consolidated Billing
Subcommittee Partici